

**CITY OF CLAYTON
UNIFORM EMPLOYEES PENSION PLAN
MINUTES OF THE BOARD OF TRUSTEES MEETING
Monday, February 10, 2014**

1. CALL TO ORDER

Due notice having been given, a meeting of the Board of Trustees of the Firemen and Policemen Retirement Board was held on Monday, February 10, 2014, at the Offices of Asset Consulting Group, Inc., 231 S. Bemiston Avenue, 14th Floor, Clayton, Missouri 63105. Rick Beard, Chairman, presided. The meeting was called to order at 8:00 a.m. and roll call taken.

2. ROLL CALL

Present:

Rick Beard, Chairman
Mayor Harold Sanger
Alderman Alex Berger III

Alderman Joanne Boulton
Det. Sgt. Jon Weidenbenner
Firefighter Mike Dedert

Absent: Firefighter Ted Destatte

Also Present:

Haley Rives, Asset Consulting Group
Janet Watson, Director of Finance
and Administration

Craig Owens, City Manager
Joanie O'Brien, Administrative Secretary

3. APPROVAL OF MINUTES – MEETING OF NOVEMBER 4, 2013

A motion was made by Mayor Sanger to approve the minutes of the November 4, 2013 meeting and seconded by Alderman Berger. The motion was approved unanimously by voice vote.

4. OLD BUSINESS

Actuarial Services Provider

Janet Watson informed the Board the actuary proposal recommendation would be available at the May meeting.

Fixed Income Alternatives

Haley Rives discussed and reviewed with the Board the information distributed regarding fixed income investment manager alternatives. Currently, fixed income encompasses 30% of the total portfolio with all of that amount being handled by Commerce Trust Company. There was significant discussion regarding the options.

Chairman Beard suggested a new fixed income allocation of retaining 20% with Commerce Trust and moving 10%, or one-third of the fixed income portfolio, to Pioneer

Multi-Sector. There was discussion whether Commerce would charge additional fees if the amount of the portfolio was reduced.

A motion was made by Mike Dedert to recommend to the Board of Alderman to approve the suggested fixed income allocation of 20% to Commerce Trust and 10% to Pioneer Multi-Sector, if there is minimal change in the Commerce fees. The motion was seconded by Alderman Boulton and approved by voice vote.

Trustee / City Responsibilities

There was discussion regarding the plan related duties between the Board of Aldermen and the Pension Trustees. There was group consensus that the trustees were comfortable in choosing investment managers. Rick Beard suggested a possible alternative would be for the Board of Aldermen to have the responsibility of approving the investment policy which guides the choice of investment managers which the trustees would handle. This recommendation will be taken to the Board of Aldermen.

5. ASSET CONSULTING GROUP (ACG)

Haley Rives from Asset Consulting Group discussed the Investment Performance Review for the period ending December 31, 2013 with the Board. The total portfolio at the end of this quarter was approximately \$36.9 million. Updated information showed the total portfolio was at \$35.0 million as of January 31, 2014. The change was due to a significant drop in equities during the month of January. The portfolio was up 17.1% for the year. Ms. Rives pointed out that while all of the Performance vs. Objectives benchmarks were not being met, the return has still been strong.

A request was also made regarding the effect on the contribution rate if the investment return were reduced to 6.5%. This question will be passed along to the actuary.

7. NEW BUSINESS

Janet Watson distributed a schedule of funding status and interest assumptions for all defined benefit plans reporting to the Missouri Joint Committee on Public Retirement Systems. This data was for plan year 2012. The average funding status was 76.4% and the average interest assumption was 7.9%. The Clayton Uniformed plan is 85% funded which is above average and has an interest assumption of 7.0% which is below average.

8. ADJOURNMENT

A motion was made by Alderman Boulton to adjourn the meeting, seconded by Mayor Sanger. The motion was approved unanimously.

Meeting was adjourned at 9:20 a.m.

The next meeting of the UERF is tentatively set for 8:00 a.m. at Asset Consulting Group, Inc., 231 S. Bemiston Avenue, 14th Floor, Clayton, Missouri on Monday May 5, 2014.

Respectfully Submitted,

Joanie O'Brien, Secretary

Rick Beard, Chairman